

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Agriculture, Food Resiliency, and Forestry to which was  
3 referred House Bill No. 205 entitled “An act relating to establishing the Small  
4 Farm Diversification and Transition Program” respectfully reports that it has  
5 considered the same and recommends that the bill be amended by striking out  
6 all after the enacting clause and inserting in lieu thereof the following:

7 Sec. 1. 6 V.S.A. chapter 207, subchapter 4 is added to read:

8 Subchapter 4. Small Farmer Diversification and Transition Program

9 § 4631. Small Farmer Diversification and Transition Program

10 (a) As used in this subchapter, “small farmer” means any person who

11 (1) earns at least one-half of the farmer’s annual gross income from the  
12 business of farming as that term is defined in Regulation 1.175-3 issued under  
13 the Internal Revenue Code of 1986; or

14 (2) is engaged in “farming” as that term is defined in 10 V.S.A.  
15 § 6001(22), regardless of the size of the parcel, and whose gross income from  
16 the sale of the farm products equals at least one-half of the farmer’s annual  
17 gross income.

18 (b) The Small Farmer Diversification and Transition Program is created at  
19 the Agency of Agriculture, Food and Markets to provide small farms in  
20 Vermont with State financial assistance to diversify production on a farm or to  
21 transition from one form of farming to another. Assistance under the Program

1 shall be in the form of grants. Small Farmer Diversification and Transition

2 Program grants shall be used for costs of:

3 (1) diversifying the agricultural commodities produced on a small farm;

4 (2) transitioning a small farm from one form of farming to another;

5 (3) on-farm processing of agricultural commodities on a small farm; and

6 (4) development of accessory on-farm businesses on a small farm.

7 (b) An applicant for a Small Farmer Diversification and Transition

8 Program grant shall demonstrate to the Secretary of Agriculture, Food and

9 Markets that:

10 (1) they are a small farmer;

11 (2) house not more than the number of animals specified under section  
12 4857 of this title;

13 (3) there is potential from the proposed diversification or transition to  
14 create additional income for the small farmer;

15 (4) they have a proposed plan for diversification or transition that  
16 includes possible markets for the proposed product and probable income; and

17 (5) they are not a permitted as a medium farm or large farm.

18 (c)(1) The Secretary of Agriculture, Food and Markets shall issue Small  
19 Farmer Diversification and Transition Program grants under this section when  
20 funds are available for the Program. The maximum amount of a grant under  
21 this section shall be \$15,000.00 per farmer per year, and all projects funded by

1 the grant shall be completed within 12 months of receipt of the grant by the  
2 small farmer

3 (d)(1) The Secretary shall provide public notice of available grants and  
4 shall provide applicants with technical assistance in complying with  
5 application requirements. The Secretary shall publicize the Small Farmer  
6 Diversification and Transition Program in newsletters, press releases, e-mail,  
7 and other communications from the Agency of Agriculture, Food and Markets.

8 (2) The Secretary shall hold the application person open for at least 60  
9 days.

10 (3) Applications shall not be processed until the Secretary determines  
11 that the application is administratively complete and includes all required  
12 documentation required by the Secretary.

13 Sec. 2. APPROPRIATION

14 In addition to any other funds appropriated to the Agency of Agriculture,  
15 Food and Markets in fiscal year 2024, \$250,000.00 is appropriated from the  
16 General Fund to the Agency of Agriculture, Food and Markets for purposes of  
17 the Small Farmer Diversification and Transition Program.

18 Sec. 3. EFFECTIVE DATE

19 This act shall take effect on July 1, 2023.

20 and that after passage the title of the bill be amended to read “An act relating to  
21 establishing the Small Farmer Diversification and Transition Program”

22

1  
2  
3  
4  
5  
6  
7  
8

(Committee vote: \_\_\_\_\_)

\_\_\_\_\_

Representative \_\_\_\_\_

FOR THE COMMITTEE